

June 26, 2006 – House Agriculture Committee
Comments by John H. Martini, President, Anthony Road Wine Company
1020 Anthony Road
Penn Yan, NY 14527
Before the House Committee on Agriculture
Canandaigua, New York

Mr. Chairman and Members of the Committee

I'd like to thank you for holding the hearing here in the beautiful Finger Lakes region of New York State and for inviting me to comment on the Farm Bill. My name is John Martini, and I am President of Anthony Road Wine Company and, owner, with my wife Ann, of Martini Vineyards. Ann and I started our farm in 1973 with no true knowledge of the complexity that growing grapes entails and we started the winery in 1989 because market forces indicated 'get out or get deeper'. I do not regret either of those decisions. Two of our children now work with us; Peter manages the farm and Elizabeth manages the tasting room.

The philosophy of our operation is that we are farmers first, winery second and a tourist attraction third. If we don't get the first right, the wines will not be worthwhile and then no one would want to come. Wines are produced essentially in the vineyards around our home and then secondarily in the production facility. Vineyard establishment requires an investment of at least \$10,000 per acre and winery equipment and tanks can cost hundred of thousands more. Grapes and wine are the ultimate high value, specialty crop. They are capital and labor intensive.

In the Finger Lakes region the wine industry is an economic engine. Our operations have sixteen (16) full-time employees and a like number of part-timers who work in the tasting room. Our payroll exceeds \$400,000. We grow the majority of the grapes needed for our wine production on the 70 acres of vineyards that we farm. We sell the balance to other wineries. We also purchase an additional \$75,000 worth of grapes from other Finger Lakes growers. We buy wine tanks and equipment from a local metal fabricator, our office supplies, our plumbing and electrical supplies and lumber from local purveyors in Penn Yan, our wine bottles from Waterloo. We have invested over \$1,000,000 in buildings and every season we need more equipment to help us produce the quality wines we strive for to compete in the world market. Our gross sales are just shy of \$2,000,000.

In fact, a recent economic study by MKF Research Inc. has shown that the grape, grape juice and wine industry contributes \$3.4 billion to the New York State economy. When Ann and I started our vineyard operation in 1973 there were maybe 12 wineries in the state - now there are more than 200. Each contributes not only to the local economy, but also to state and federal treasuries. The growth of the industry has prompted Cornell University to offer degrees in oenology and viticulture as it recognizes the potential and need for the future. A family can operate a viable farm unit by having 25-30 acres of grapes and a small winery.

On the national scale, a preliminary study by the same researchers has indicated that grapes and grape products - wine, juice, table, and raisins - contribute over \$90 billion to the US economy. While California is certainly the largest producer, there are now

wineries in all states and interest continues to grow. For example, the tobacco states are seeking research to help move tobacco growers to become grape growers. The fact that we as a country consume only about 3 gallons of wine per capita is not lost on other grape growing and wine producing nations. Our growth potential for wine consumption in moderation is enormous. Imports of wines from Australia have exploded in recent years and other nations, with help from their governments, are seeking to fill what is seen as a potential wine sponge. Wine recently passed beer as the preferred beverage among Americans, according to a Gallup poll last year.

The grape and grape-product industry wants to establish a private - public effort to fund research that will make us the number one producer of quality grape products in the world. A goal that will not only benefit all of us financially but also one that will maintain a vital rural environment, increase employment opportunities and make us the major supplier to our own population. To that end we have formed the National Grape and Wine Initiative (NGWI).

Grapes are the sixth largest crop and the largest specialty crop in terms of value in US agriculture. I believe that it is time to recognize the contribution of specialty crops to the US economy, our balance of trade, and to providing healthy food for our tables. I am not looking for checks in the mail. What I am looking for is a partnership with Federal and State governments to assist, not only my industry, but also to encourage the production of other specialty crops and products.

I request that the 2007 Farm Bill include the following:

****Greater emphasis on specialty crop research and seeing that research results get to the producers through extension.** As societies we have been growing grapes and making wines for thousands of years. One would think that we would have grapes and wine figured out by now, however, that is not the case. Varietal selection for soils and climates, consumer preferences, sustainability and many other issues require constant research and then the extension and education of growers and wineries to put our grape product producers in the forefront of world quality and production.

****Authorize in the Farm Bill appropriations of up to \$5 million a year in ARS funding to support grape industry efforts through the National Grape and Wine Initiative (NGWI) to coordinate research and extension activities designed to further the goals mentioned above.** Research and extension has been the crucial element in the success of US agriculture, and it is ever more so today. We need to grow the best and healthiest foods possible for the American consumer and encourage them to enjoy a balanced diet of fruits and vegetables.

****Provide APHIS with the tools and flexibility to protect us from unwanted and dangerous pests that will affect the viability of our operations.** As the world has gotten smaller, exotic pests, with no local natural enemies to keep them in check, can wreak havoc on our crops. We also need a better understanding of the 'law of unintended consequences'. Over the past several years New York grape growers have had to deal with the Multi-colored Asian Lady Beetle (MALB). USDA spent decades trying to introduce the MALB because it has a voracious appetite for soybean aphids. They finally were successful and soybean growers are reaping the benefits. However, MALB are very aggressive and prolific. One of their defense attributes is a distinctive off-putting odor.

When the soybeans and aphids are gone the MALB seek out grapes as a food source. Five insects in 35 pounds of grapes will result in the juice and/or wine exhibiting the off-putting odor. It is far more cost-effective to prevent the introduction of pests and diseases than to eradicate them after an infestation is established.

****Continued investment in the Market Access Program that combines private sector funding matched with public funds. Our winery has been able to utilize the benefits of this program to sell wine to the Province of Ontario. Working with New York and the Federal export programs and using MAP funds through the NY Wine Grape Foundation has made it possible to meet with buyers and the public to promote our wines.**

****Strengthen and improve the crop insurance program for viticulture and other specialty crops. Allow growers in New York to insure varieties separately on each farm as opposed to the co-mingling that occurs now and puts high value grapes into categories that do not represent the risk/non-risk reality.**

****Establish and mandate funding for a clean plant program that will give growers pathogen free stocks that will produce quality fruit and not be subject to declines that result in replant situations. Crown gall and various viruses weaken our vines and require that each year we replant those vines that have died or declined. (Note: we're asking for \$5 million CCC money each year of the next Farm Bill for this.)**

****State Block Grants - Expand the State Block Grants for Specialty Crops program originally authorized in the Specialty Crop Competitiveness Act of 2004, and funded through appropriations in the Fiscal Year (FY) 2006 Agricultural Appropriations bill. Due to the wide diversity and localized needs in specialty crop production, state departments of agriculture are uniquely able to assist local growers with the specific investments they need to increase competitiveness.**

Thank you for the opportunity to testify today and thank you again for coming to the Finger Lakes region. We look forward to welcoming you back often for wine country hospitality!

For:
Committee on Agriculture
U.S. House of Representatives
June 26, 2006

Bio – John H. Martini, President, Anthony Road Wine Company
1020 Anthony Road
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315-536-2182

Born and raised in the North New Jersey suburbs of New York City.
B.S. Boston College, 1964
Peace Corps, Malaysia VII, 1964-1966
Instructor, Peace Corps Training Center, Hilo Hawaii, 1967-68
Sales Engineer 1968-1973
Grape Grower 1973-present
NYSAES/Cornell University 1973-1996 – IR-4 Northeast Region Field Coordinator
Anthony Road Wine Company, President, 1989 – present

Past President – New York State Wine Grape Growers
Past President – Wine Grapegrowers of America
Past President – Seneca Lake Winery Association
Past Legislator – Yates County

Current – Torrey Town Councilman
Board Member National Grape and Wine Initiative

Philosophy – Farmer first – winery second – you can't make great wines without great grapes.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: JOHN H. MARTINI
Address: 1020 ANTHONY ROAD, PENN YAN, NY
Telephone: 315-536-2182
Organization you represent (if any): ANTHONY READ WINE CO.

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you:

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Signature: [Signature]

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.